DOCUMENT RESUME

ED 126 807 HE 008 101

TITLE	Basic Facts about Tuition and Educational Opportunity. Low Tuition Fact Book No. 8.
INSTITUTION	American Association of State Colleges and Universities, Washington, D.C.
PUB DATE	May 76
NOTE	20p.
AVAILABLE FROM	AASCU Publications, One Dupont Circle, Suite 700, Washington, D.C. 20036 ($0.50)
EDRS PRICE	MF-$0.83 HC-$1.67 Plus Postage.
DESCRIPTORS	*Economic Status; Educational Finance; *Educational Opportunities; *Enrollment Rate; Equal Education; *Financial Support; *Higher Education; Lower Class Students; Lower Middle Class; Middle Class; Student Costs; *Student Financial Aid; Student Loan Programs; *Tuition; Veterans Education

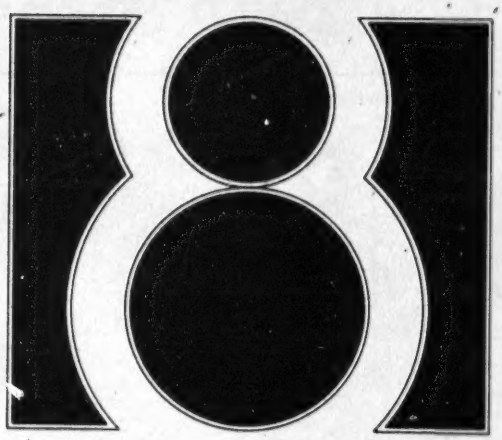
ABSTRACT

Data from many governmental and nongovernmental sources are gathered to emphasize that many people now are kept out of college because of student charges, especially tuition; and that a major effort is needed to help reverse the trend toward higher student charges and lower enrollment rates. It is shown that the rate of full-time college attendance has declined precipitously, especially among students from low- and middle-income families. The percentage of high school graduates going to college is especially low in states with high tuition, as is the percentage of Vietnam veterans going to college in those states. Studies are reported which suggest that: (1) lowering tuition increases the number of students going to college; (2) low-income students would be extremely responsive to reduced tuition rates; (3) many families are hard hit when more than one dependent attends college at the same time; and (4) very few families have adequate funds to meet college costs. Current student aid programs are not adequate to meet the needs of most students, particularly working-class and middle-income students, as well as older and part-time students. (LBH)

****
* Documents acquired by ERIC include many informal unpublished *
* materials not available from other sources. ERIC makes every effort *
* to obtain the best copy available. Nevertheless, items of marginal *
* reproducibility are often encountered and this affects the quality *
* of the microfiche and hardcopy reproductions ERIC makes available *
* via the ERIC Document Reproduction Service (EDRS). EDRS is not *
* responsible for the quality of the original document. Reproductions *
* supplied by EDRS are the best that can be made from the original. *
****

ED126807

Low Tuition Fact Book



BASIC FACTS about TUITION and EDUCATIONAL OPPORTUNITY

HE 008 101

U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

2

aascu

American Association of State Colleges
and Universities
One Dupont Circle,
Suite 700
Washington, D. C. 20036

(202) 293-7070

Allan W. Ostar
Executive Director

May 1976

Available from AASCU Publications,
50¢ per copy; bulk orders of
100 or more, 25¢ per copy.

1. The rate of full-time college attendance among 18 to 24 year old students has declined precipitously in recent years, particularly among students from low- and middle-income families.

2. The percentage of high school graduates going to college is especially low in states with high tuition.

3. The percentage of Vietnam veterans going to college is generally low in states with high tuition.

4. A University of Wisconsin study found that lowering tuition increases the number of students going on to college.

5. A recent Stanford Research Institute study shows that students from low income families would be extremely responsive to a reduction in tuition rates.

6. U. S. Census data shows that families are especially hard hit right now because an unusually large number have more than one dependent in college at the same time.

7. Bureau of Labor Statistics' calculations of family budgets indicate that very few families have adequate funds to meet college costs.

8. Current student aid programs are not adequate to meet the needs of most students, even the poor. They are particularly inadequate for working-class and middle-income students, and for older and part-time students.

Each of the above facts will be documented in this pamphlet. Each shows why there is a growing concern across the nation that tuition and other student charges are too high for many American students and families.

INTRODUCTION

For over 150 years, the American people have accepted the principle that tuition should be kept as low as possible at public institutions: state universities and colleges, teachers' colleges, community colleges, and postsecondary vocational schools.

The reasons are obvious. Most Americans have seen low-tuition higher education as an extension of the free public elementary and secondary school system; an extension that becomes more logical and more necessary as the complexity of modern society increases. This system has resulted in an extremely well-educated population which has made the United States the most productive and the most technologically advanced country in the world. Universal free or low-cost education is seen by most Americans as one of the most fundamental safeguards of our democratic way of life.

Through low-tuition colleges, millions of Americans have risen occupationally and financially, made a greater contribution to our society, and also paid much higher federal, state, and local taxes. Research also shows far more individual and social stability among the college educated: lower rates of family instability, poverty, unemployment, and crime, and far less dependence on costly government social services.

Unfortunately, even today many qualified people are excluded from the benefits of higher education; by the costs of college in most cases, sometimes because of their sex (historically, fewer women than men have had the chance to go to college), or because of race or religion. But the G.I. Bills after World War II, the widespread growth of public as well as private college education, and the beginnings of a national student aid system have shown promise that these shortcomings can be overcome.

Yet today, Americans seeking a college education are in real trouble. More high school students are graduating each year, but fewer of them are going on to any college. Rates of college-going and full-time attendance are falling precipitously among dependent students from families with incomes under $15,000 and even among those with higher incomes.

What is more, college-going varies greatly according to the state and locality in which a person lives.

The most important single reason for this decline in higher educational opportunity since about 1968 is student charges. Hard-pressed governors and state legislators have raised tuition and other charges as a way of balancing state budgets, sometimes with the mistaken belief that "there is enough student aid to take care of anyone who wants to go to college," or that "fewer people want to go, anyway."

The overwhelming majority of Americans—working-class, lower-income and middle-income people, whites and nonwhites—still want themselves and their children to have education and training for which they are qualified and in which they are interested. *Yet this great majority is not organized in any state to work effectively for low tuition,* to make possible educational opportunity for all, or to fight for the adequate appropriations for higher education which are necessary in order to make low tuition and quality education possible.

This pamphlet brings together data from many governmental and non-governmental sources to make the overwhelming case that many people now are kept out of college because of student charges, especially tuition; and that a major effort is needed to help reverse the trend toward higher student charges and lower enrollment rates. America's third century holds serious challenges and great promise. It is no time for Americans to turn their backs on over 150 years of progress toward universal opportunity for education beyond the high school level.

1

The rate of full-time college-going is declining precipitously, especially among low- and middle-income families. This is true even though the number of college age students is increasing each year.

Data collected by the United States Census show that between 1969 and 1973 there has been about a *20 percent* drop in the percentage of 18 to 24 year old dependents from families earning less than $15,000 going on to any college on a full-time basis. There has been an *8 percent* drop in the percentage of students from families over $15,000 in the same period.

These figures include not only poor and disadvantaged families but also lower- and middle-income families making up to $15,000 a year. (Median family income is about $13,000, so that more than half of all American families are affected.)

A careful examination of all factors which affect this drop in college-going reveals that *cost to the student is one of the most significant factors.* Data showing high enrollments for the 1975-76 academic year at many colleges are probably misleading. The 1969-1974 enrollment data indicate a serious, long-term enrollment problem.

The overall decline in full-time attendance rate—13.8 percent—corresponds with the results of another survey conducted in 1975. A First National City Bank of New York study found that 12.8 percent of Americans indicated that someone in

SOURCE: N. Schiller, "College Education Seen Necessary but Parents Wince at High Cost" First National City Bank of New York (Citicorp). June 1975.

Percent of 18-24 Year Old Family Dependents Enrolled Full Time in College by Family Income

1973 Constant Dollars

	1969	1973	% Change
Under $3,000	16.4	12.7	-22.6
$3,000-4,999	22.5	18.0	-20.0
$5,000-7,499	29.4	23.7	-19.4
$7,500-9,999	36.0	28.9	-19.7
$10,000-14,999	45.3	36.3	-19.9
$15,000 and Over	58.5	53.7	-8.2
Total	**42.0**	**36.2**	**-13.8**

SOURCE: U. S. Bureau of the Census, "Characteristics of American Youth: 1974." (U. S. Government Printing Office, Washington, D. C., 1975). Current Population Reports Series P-23, No. 51.

their family had been prevented from going to college during the past five or six years because of cost. The same study indicated that 30 percent of the families experienced "extreme hardship" in meeting college costs. Another 30 percent reported "moderate hardship."

A Bureau of Labor Statistics study shows that the percentage of high school graduates going on to any college increased sharply from 1962 to 1968 and then declined sharply to 1962 levels again by 1974. One of the reasons underlying the fluctuation in attendance was rising tuition. Between 1961 and 1974 tuitions increased much faster than the Consumer Price Index, according to a recent Department of Health, Education and Welfare study.

SOURCES: U. S. Department of Labor, Bureau of Labor Statistics, "Employment of High School Graduates and Dropouts" Special Labor Force Report 169, 1974.

D. Kent Halstead, **Higher Education Prices and Price Indexes**, Department of Health, Education and Welfare, 1976.

2

The percentage of high school graduates going directly on to any college is generally low in states with high tuition.

SOURCE: Calculations based on U. S. Office of Education data, made by the American Council on Education.

Most Americans are unaware that a person's chances of going to any college vary enormously depending on the state and locality in which he or she lives. The percentage of high school graduates going directly on to *any* college is generally low in states with high tuition and a lack of opportunities to attend geographically convenient, open access institutions. High-tuition states tend also to be states with limited geographic access. In the last year for which nationwide data are available, for example, about 75 percent of all graduates in California and 70 percent of all New York high school graduates went on to college.

On the other hand, only about 35 percent of high school graduates in Maine and Vermont—states with very high tuitions—went on to any college! Again, a principal reason for these differences is tuition and the geographic availability of low-tuition colleges and community colleges.

3

The percentage of Vietnam veterans going to any college is generally low in states with high tuition.

SOURCE: Report of Educational Testing Service, Princeton University, on Educational Assistance Programs for Veterans, U. S. House Committee on Veterans Affairs, September 1973.

Data for Vietnam veterans attending any college by state are especially revealing. Generally, their attendance rates follow the same pattern as that for high school graduates. In states with low tuition and geographic accessibility to college, such as California and Arizona, a very high percentage of Vietnam veterans have gone to college. In high-tuition states, such as Vermont, and those without easy geographic access to a low-tuition college, a relatively smaller percentage of veterans have attended.

The Educational Testing Service, a highly respected research group, studied this issue in depth, and came to the conclusion that access to low-tuition colleges is the principal reason why many more veterans go on to college in some states than in others.

The veterans' experience also throws some doubt on the value of student aid, as opposed to low tuition, as the principal way to help students attend college. The basic G.I. Bill allotment of $270 a month, supplemented by family allowances for many veterans, is far more generous than any federal or state student aid program. But even this aid is not enough to encourage veterans to attend college in many high-tuition states.

4

A Wisconsin study shows that lowering tuition increases college attendance.

SOURCE: University of Wisconsin System, Office of Special Projects, April 1974.

The University of Wisconsin system in 1973-74 carried out one of the few experiments ever made in this country to actually study the effect of tuition changes on enrollment. The state lowered tuition sharply at two of the two-year centers of the Wisconsin system (from *$429* a year to *$80* a year) while holding tuition constant at all other two-year centers, colleges, and universities. The result: a remarkable enrollment increase of 47 percent at one center and 23 percent at the other! *For every one percent reduction in the total cost of attending the low-fee centers there was a 1.3 percent increase in enrollment!*

Further, studies of the additional students attending these centers revealed that for the most part they would not have attended any other college. In other words, the centers were not "taking away" students from any other college, but enrolling those who otherwise could not have attended at all.

5

A recent Stanford Research Institute study shows that students from low-income families would be extremely responsive to reduction in tuition rates.

The Institute found that for every $100 decrease in tuition, institutional enrollments would increase more than *one percent* among students from families earning more than $12,000 annually, and more than *seven percent* among students from families earning less than $6,000 annually.

SOURCE: Dr. Daryl E. Carlson, "A Flow of Funds Model for Assessing the Impact of Alternative Student Aid Programs," Educational Policy Research Center, Stanford Research Institute, November, 1975.

Other studies by economists and social scientists have come to similar conclusions: that reduced tuition increases college-going, and increased tuition has the opposite effect. Some of these studies were summarized in the reports of the blue-ribbon National Commission on the Financing of Postsecondary Education, which included presidential appointees, members of Congress, and educators. Students from low- and middle-income families would, of course, be hardest hit.

SOURCE: **Financing Postsecondary Education in the United States**, The National Commission on the Financing of Postsecondary Education, U. S. Government Printing Office, 1973.

6

U. S. Census data show that families are especially hard hit right now because many of them have more than one child of college age at the same time.

SOURCE: David Goldberg and Albert Anderson, Projections of Population and College Enrollment in Michigan, 1970-2000. University of Michigan Population Studies Center, 1974.

A recent study by two University of Michigan demographers, David Goldberg and Albert Anderson, confirms what many American families know from painful first-hand experience: there is now a great deal of "sibling overlap" because so many young families in the 1950's had three or more children spaced two or three years apart.

As a result, a great many families now face the problem of educating three children over an eight- or nine-year period. At a residential public college or university, this could mean a total annual cost of about $4,500 a year for several years—at a time when median family income is about $13,000!

Moreover, this "overlap" phenomenon will continue to be a severe problem until the early 1980's, according to Goldberg and Anderson.

This fact alone helps explain falling college enrollment rates and increasing family anxiety about the cost of college. Added to rising college tuition and other charges, the problem is almost overwhelming even for middle-income families.

7

Bureau of Labor Statistics' calculations of family budgets show that very few families have adequate funds to meet college costs.

Bureau of Labor Statistics' calculations made in 1974 showed that at that time families on "lower budgets," estimated at about $9,000 per year, and "intermediate budgets," estimated at about $14,000, had very little so-called "miscellaneous consumption" income left over to pay for college or other needs, after meeting their living expenses. As the median American family income is now less than $13,000 a year, it is clear that most such families will have great difficulty in affording college.

BLS estimated that a four-person family with a $9,198 income in fall 1974 would have about *$415 a year* in "miscellaneous" funds left over for education *and other expenditures* such as recreation, reading material, alcohol, tobacco, etc!

A four-person family with an income of $14,333 would have about *$662 a year* left over for education, recreation, and other purposes.

Because living costs have risen since 1973 at a faster rate than salaries and wages, most families, of course, are relatively worse off in terms of available income to pay for a college education.

The BLS data follows:

SOURCE: U. S. Department of Labor, Bureau of Labor Statistics, April 9, 1975.

Summary of Annual Budgets for a Four-Person Family at Two Levels of Living, Urban United States, Autumn 1974

	Lower Budget*	Intermediate Budget
Total budget	$9,198	$14,333
Total family consumption	7,318	10,880
Food	2,763	3,548
Housing	1,758	3,236
Transportation	643	1,171
Clothing	759	1,085
Personal care	231	310
Medical care	738	742
Other family consumption	423	786
Taxes and deductions	1,463	2,790
Social security and disability	553	780
Personal income taxes	910	2,010
Other items (including education)	415	662

8

Current federal and state student aid programs are not adequate to meet the needs of most students, even the poor. They are particularly inadequate for lower- and middle-income students, and for older and part-time students.

Some spokesmen have urged that student financial problems be resolved, not by keeping tuition down, but by raising federal and state student aid. Unfortunately, every study of student aid finds that the need for student aid is far greater than the likelihood that hard-pressed federal or state governments will find the necessary funds. What is more, G. I. Bill experience indicates that even very generous student aid is not enough to help veterans attend colleges in high-tuition states.

There are further problems with student aid, *essential as it is for many students.* One problem is that many lower- and middle-income families receive very little aid, sometimes none. Most aid programs properly are concentrated on the poor. If tuition is increased to "capture" federal and state student aid dollars," as is happening in some states, a few of the poor may gain more than they lose, but most working-class, middle-income families simply will be hit with higher charges.

Further, student aid is subject to annual political and economic pressures. The formulas, the available funds, and the application procedures tend to change each year as new forces struggle for control of student aid policy in both

SOURCE: One of many studies indicating that present student aid funds are far below the level of need—and also very much affected by one's state of residence and the type of college attended—is Stanford Research Institute: **Student Aid: Description and Options,** Research Memorandum EPRC 2158-27, 1975.

houses of Congress, the federal bureaucracy, state governments, and among private bankers. There are possibilities of major changes in student aid which may or may not benefit particular groups and particular institutions.

In each recent year, there has been an actual or potential "short fall" of hundreds of millions of dollars in unmet need for federal student financial aid. A combination of political and economic factors has led to this situation, and there is every reason to believe that it will recur in the future.

Further, *state* student aid is falling or is threatened in some states—in some cases at the same time that tuition is rising at public colleges. Again, a combination of political and economic factors in particular states is responsible.

Political leaders—governors, legislators, members of governing boards—need to be made aware that student aid alone is not and cannot be a "substitute" for low tuition. It is only a valuable supplement.

A few spokesmen for high tuition have suggested that by raising tuition more funds can be "generated" or "made available" for student aid for the poor. Unfortunately, there is little reason to believe that states would reappropriate increased tuition revenues in the form of student aid, or that adequate student aid could be "generated" in this way from moderate-income students.

What is more, some "student aid" spokesmen are trying to emphasize *very expensive, long-term loans* as the *principal* way to finance student aid, except for the

very poor. Some of these same leaders are working hard to raise tuition. If you oppose young people taking on debts of many thousands of dollars as the price of a college education, you have an additional reason for not relying too much on student aid, especially loans.

There is a further problem with over-reliance on student aid. Much of the recent growth in higher education has been among *older* and often *part-time* students. For example, between 1970 and 1974, student enrollments in the 30-34 age group increased 30 percent, those in the 25-29 age group by 16 percent, but those in the 18-24 group only by about 4 percent.

Most student aid programs, inadequate to meet the needs of younger students, are not designed to serve older adults, including working men and women who wish to continue their education or learn new skills. Many state student aid programs exclude part-time students, and indeed in many states they also are forced to pay much higher tuition. In other states, colleges have chosen to exclude part-time students from some federal student aid programs because of a shortage of funds. In many cases their family income levels—while moderate—are high enough so that they do not qualify for the low-income-oriented aid programs now available.

Everyone in higher education has expressed a growing interest in reaching older students, working men and women, housewives, and others who wish to return to school. Low tuition is an invaluable way to help these people, while student aid—at least in its present forms and at present funding levels—is not.

What can you and your organization do to help work for the principle of low tuition and the adequate appropriations for higher education which make low tuition possible? For details, contact the National Coalition for Lower Tuition in Higher Education, One Dupont Circle, Suite 700, Washington, D. C. 20036 Telephone: (202) 293-7070